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中國製藥集團有限公司
**China Pharmaceutical
 Group Limited**

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 1093)

**UNAUDITED RESULTS
 FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

The Board of Directors of China Pharmaceutical Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2010 as follows:

FINANCIAL HIGHLIGHTS

	Three months ended 30 September		Nine months ended 30 September	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Results				
Revenue	1,836,987	1,730,354	5,778,005	5,233,262
Profit attributable to shareholders	168,746	223,659	594,969	756,369
Basic earnings per share	HK10.99 cents	HK14.57 cents	HK38.76 cents	HK49.28 cents

	At 30 September 2010 (Unaudited)	At 31 December 2009 (Audited)
Financial Position		
Equity attributable to shareholders (HK\$'000)	5,380,364	5,160,284
Net assets per share	HK\$3.51	HK\$3.36
Total borrowings (HK\$'000)	1,499,036	1,596,218
Bank balances and cash (HK\$'000)	1,208,779	1,493,800
Net debt/equity ratio	5.4%	2.0%

CONSOLIDATED INCOME STATEMENT
For the nine months ended 30 September 2010

	Nine months ended	
	30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue	5,778,005	5,233,262
Cost of sales	(4,037,071)	(3,540,215)
Gross profit	1,740,934	1,693,047
Other income	34,655	26,603
Selling and distribution expenses	(373,391)	(433,817)
Administrative expenses	(460,301)	(333,593)
Other expenses	(143,229)	(51,851)
Operating profit	798,668	900,389
Gain on disposal of a subsidiary	—	31,343
Share of results of a jointly controlled entity	5,801	123
Finance costs	(49,597)	(52,498)
Profit before taxation	754,872	879,357
Taxation	(143,484)	(114,800)
Profit for the period	611,388	764,557
Profit for the period attributable to:		
Owners of the Company	594,969	756,369
Non-controlling interests	16,419	8,188
	611,388	764,557
	<i>HK cents</i>	<i>HK cents</i>
Earnings per share — Basic	38.76	49.28

Notes:

- The accounting policies used in the preparation of the financial data for the nine months ended 30 September 2010 are consistent with those followed in the preparation of the interim financial statements of the Group for the six months ended 30 June 2010.

2. The calculation of the basic earnings per share for the nine months ended 30 September 2010 is based on the unaudited profit for the period attributable to owners of the Company of HK\$594,969,000 (2009: HK\$756,369,000) and 1,534,960,661 (2009: 1,534,960,661) shares in issue during the period.

No diluted earnings per share is presented for the nine months ended 30 September 2009 and 2010 as there were no potential ordinary shares in issue during both periods.

3. The board of directors does not declare the payment of an interim dividend for the nine months ended 30 September 2010 (2009: Nil).
4. The financial data for the nine months ended 30 September 2010 is based on the internal records and management accounts of the Group and has not been reviewed or audited by the external auditor of the Company.

SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

For the nine months ended 30 September 2010

	Intermediates and Bulk Drugs		Finished Drugs	Others	Segment Total	Eliminations	Consolidated
	Vitamin C series	Antibiotics series					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
SEGMENT REVENUE							
External sales	1,615,819	2,342,243	1,677,005	142,938	5,778,005	—	5,778,005
Inter-segment sales	1,249	673,001	—	194,669	868,919	(868,919)	—
TOTAL REVENUE	<u>1,617,068</u>	<u>3,015,244</u>	<u>1,677,005</u>	<u>337,607</u>	<u>6,646,924</u>	<u>(868,919)</u>	<u>5,778,005</u>
Inter-segment sales are charged at prevailing market rates.							
SEGMENT PROFIT	<u>627,511</u>	<u>144,195</u>	<u>138,880</u>	<u>4,108</u>			914,694
Interest income							6,183
Unallocated central costs							<u>(122,209)</u>
Operating profit							<u>798,668</u>

For the nine months ended 30 September 2009

	Intermediates and Bulk Drugs				Segment Total	Eliminations	Consolidated
	Vitamin C series	Antibiotics series	Finished Drugs	Others			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
SEGMENT REVENUE							
External sales	1,770,143	1,765,231	1,600,227	97,661	5,233,262	—	5,233,262
Inter-segment sales	4,249	450,060	—	25,950	480,259	(480,259)	—
TOTAL REVENUE	<u>1,774,392</u>	<u>2,215,291</u>	<u>1,600,227</u>	<u>123,611</u>	<u>5,713,521</u>	<u>(480,259)</u>	<u>5,233,262</u>

Inter-segment sales are charged at prevailing market rates.

SEGMENT PROFIT (LOSS)	<u>922,605</u>	<u>(49,071)</u>	<u>101,726</u>	<u>5,613</u>			980,873
Interest income							7,379
Unallocated central costs							<u>(87,863)</u>
Operating profit							<u>900,389</u>

By order of the Board
Cai Dongchen
Chairman

Hong Kong, 30 November 2010

As at the date of this announcement, the board of directors of the Company comprises Mr. Cai Dongchen, Mr. Feng Zhenying, Mr. Chak Kin Man, Mr. Pan Weidong, Mr. Zhao John Huan, Mr. Wang Shunlong, Mr Wang Huiyu and Mr. Lu Jianmin as executive directors; Mr. Lee Ka Sze, Carmelo as non-executive director; and Mr. Huo Zhenxing, Mr. Qi Moujia, Mr. Guo Shichang and Mr. Chan Siu Keung, Leonard as independent non-executive directors.